

MEMORANDUM

SUBJECT: Attached Plan for Creation of a
National Intelligence Authority

*McCarthy Plan of
10 Dec.*

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*Prepared by Katz
for SSN - not
submitted.
Jm*

I

GENERAL STATEMENT

This memorandum examines a plan attached hereto, submitted by the Special Assistant in charge of the Interim Research and Intelligence Agency of the State Department through the Office of the Secretary of State, which purports to outline the structure of a comprehensive and coordinated foreign intelligence system. The need for such a national intelligence system has been explicitly affirmed, formally and informally, from time to time by the President, the Secretary of State, the Secretary of War, the Secretary of the Navy, and the Joint Chiefs of Staff, and is not in question.

The attached plan must be appraised in terms of the purposes to be served by a comprehensive national system of foreign intelligence. Such a system is needed to supplement the existing agencies for the collection and processing of intelligence. The existing agencies must, of course, be maintained, extended and strengthened. But there are gaps of vital importance in the national structure of foreign intelligence which, from their very nature, cannot be filled by any modification or re-arrangement of the existing agencies. Something more is needed; a national system of foreign intelligence which will provide--

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- (1) A mechanism for the establishment of intelligence requirements and priorities in terms of the national interest in the larger sense, as distinguished from the sectors of responsibility separately assigned to the several departments and agencies of the government.
- (2) A mechanism for the comprehensive analysis and synthesis of all foreign information obtained by the various information-gathering agencies of the government, and the preparation of comprehensive studies for presentation to the authorities responsible for foreign and military policy.
- (3) An instrument for the procurement by clandestine means of such intelligence concerning foreign nations (including information concerning the organization and work outside the United States of foreign espionage and counter-espionage systems) as is not obtainable by the ordinary means of intelligence collection.
- (4) Appropriate safeguards to forestall any possible development of repressive characteristics in such a national intelligence authority which might arise from a confusion between the problem of foreign intelligence and the problem of internal security.

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The plan under examination is seriously deficient with respect to all four of these purposes. It misconceives the nature of the first two problems; barely even acknowledges the existence of the third; and overlooks the fourth. The plan has, in addition, numerous shortcomings of detail. This analysis will be confined, however, to the major defects, which would defeat the very purposes that alone give meaning to a comprehensive national system of foreign intelligence.

II

ANALYSIS

1. The attached plan misconceives the nature of the problem of determining intelligence requirements and priorities on a national basis:

(a) Such requirements and priorities cannot be determined in the abstract. They must be derived from an examination of the information actually received by the various departments and agencies of the government. Such information, moreover, must be reviewed as a whole, on a national basis. This can be done only if provision is made for a central review of such data. Obviously, such a central review would have to be organized on a realistic basis: it would not be necessary to file centrally copies of all reports received throughout the government. But the national authority should establish a limited central repository, through a procedure under which its staff would receive copies of any of the reports and studies obtained or prepared by the various departments and agencies

of the government which the national authority may determine to be necessary or appropriate.

It is not feasible to attempt to establish the machinery for such a central review within a single department. Any attempt to do so will lead to a renewal and intensification of the interdepartmental rivalries and jurisdictional disputes which we have been seeking to minimize. It can be effectively established only as the joint instrument of all three of the departments principally concerned with foreign intelligence.

The attached plan makes no provision for such a limited central repository and effective central review of information available to the several departments and agencies of the government.

(b) To determine such requirements, the national intelligence authority would require comprehensive staff studies and recommendations of the highest quality. These can be prepared only by a full-time staff of the highest professional competence, working on all the materials available. They can not be prepared by a secretariat already fully occupied by administrative duties, nor by a proliferation of interdepartmental committees.

It is desirable that the cadres for such a staff should be drawn largely from the personnel of the State, War, and Navy Departments, which should assign qualified personnel to full-time service with the national authority. But the

authority should also be free to draw upon the universities and civilian professions.

The attached plan makes no provision for such a staff.

2. The attached plan misconceives the nature of the problem of comprehensive analysis and synthesis of foreign information in terms of national requirements.

(a) The plan quite properly recognizes and provides that all work which can be done within one or another of the several departments should be so carried out. But no one department can bring together and evaluate a valid picture of things as they are on the basis of information available to that department or agency alone. For this purpose, as for the purpose of the proper development of requirements, there is needed a mechanism for central review and analysis whereby pertinent data separately available to the several departments can be brought together, analyzed, and carried forward with due perspective into an informed synthesis.

It has already been pointed out that the attached plan makes no provision for such a central review.

(b) The task of comprehensive analysis and synthesis of data is a laborious and painstaking one, which cannot be achieved as the by-product of discussion by a large and indefinite number of interdepartmental committees. It requires a full-time staff of the highest professional competence and standing. Wherever practicable, this staff should, of course, reduce its

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own burdens by drawing on staff personnel of the several departments, on an ad hoc basis, for work in which such personnel might be especially qualified. But it would be folly to rely wholly on such ad hoc assignments. Moreover, under the conditions outlined in the attached plan, it is most difficult to imagine how any such ad hoc assignment could ever work. For the attached plan provides that, whenever any intelligence operation is to be conducted centrally under the authority, each of the participating departments is to furnish not only the personnel and facilities required, but also the funds, on a basis to be agreed upon by all the departments involved in each case. (See paragraph 17.)

The permanent full-time staff should be made up both of qualified professional personnel to be seconded by the departments of State, War, Navy, and also of personnel drawn from the universities and civilian professions.

At the risk of wearisomerepetition, it may be well in this connection again to point out that this does not in any sense imply that the State, War, and Navy Departments may not also have departmental research agencies of their own.

The attached plan fails to provide for such a staff. The secretariat does not qualify as such: it will be fully occupied by highly important administrative and procedural duties.

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(c) The permanent staff should also be authorized, in appropriate cases, to draw upon the universities for assistance in vital research on political, economic, geographic, meteorological, and other similar matters, much as the Office of Scientific Research and Development has done within its own technical sphere.

No provision to supplement the resources of the government by the resources of scholarship in the universities is made in the attached plan. It should be borne in mind that this can be done effectively only by a staff which includes professional and scholarly personnel of the competence and standing necessary both to know when the universities can and should be drawn on, whom to draw upon, and how to make the appropriate arrangements.

3. The attached plan fails to show comprehension of the need for the procurement of intelligence by clandestine means, and barely even recognizes the existence of the problem.

The plan faintly acknowledges the problem of secret intelligence procurement by setting up machinery which may be used to organize a study of the problem. In so doing, the plan ignores both the national experience of the last five years and certain of the salient facts of our position today. Specifically, it ignores the fact that in most of the world today, the free press simply does not function, nor can it be expected to function in the foreseeable future; the fact that in large and

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important areas the foreign service of the United States either is not established at all or is rigidly circumscribed in its movements; and the fact that times of crisis in an area, when intelligence therefrom is at a premium, are precisely the times when the normal avenues of intelligence, like the foreign service and the press, are likely to be cut off entirely. Examples come readily to mind: in Bulgaria, Hungary, and Roumania; in North China; in Thailand, Indo-China and Indonesia; the United States is faced today by very grave situations without any adequate means of obtaining vital information. To the extent that information has been available at all from certain of these areas, it has come through war-time clandestine services which have been reduced by progressive liquidation to a nucleus that is in imminent danger of disintegration.

4. The attached plan confuses the internal security problem with the foreign intelligence problem, and so fails adequately to safeguard the American public against the danger that the national intelligence authority may develop ominous characteristics.

The attached plan explicitly extends the authority and responsibilities of the national intelligence authority to internal security intelligence, including "all significant information about hostile persons, movements, ideologies and activities, whether directed from at home or abroad" (underscoring supplied). The dangers inherent in this extension of authority are apparent.

The national intelligence authority should be confined to intelligence concerning areas outside the United States.

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